

1 CHAIRPERSON JAMES: Yes, Commissioner Loescher.

2 COMMISSIONER LOESCHER: Is there a chance ask a
3 question?

4 CHAIRPERSON JAMES: If you desire.

5 COMMISSIONER LOESCHER: Yes, Madam Chairman, I do
6 desire. First of all, I'd like to thank the tribal chairmen for
7 appearing here today and it's like coming home. I graduated from
8 college at Fort Lewis College in Durango, Colorado and it's in
9 the four-corners area and I went to school with many of the
10 tribal members of the area. So it's a little bit warm here. I'm
11 from Alaska and it's about 50 to 55 degrees where I come from.
12 So I'm melting, but I'd just like to ask one question of the
13 panel of the tribal chairmen.

14 We have testimony later to be presented from Mr. Gary
15 Husk who is from the Arizona Gaming Department. He talks about
16 the regulations and his role with the state and basically he's
17 complimentary of the whole system and concept that you have for
18 regulating gaming, but at the end of his testimony he sort of
19 talks about the fact that he feels that IGRA and the people who
20 manage IGRA and the National Indian Gaming Commission aren't very
21 helpful in terms of helping to enforce some of the concerns that
22 the Arizona Gaming Department has with regard to certain tribes
23 and their activities.

24 Could you, anyone on the panel, maybe characterize
25 your relationship with the Arizona Gaming Department and how the
26 tribal governments react to some of the recommendations from that
27 department.

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1 CHAIRMAN KWAIL: Let me just say this in regards to
2 how we work with Gary Husk's office. The business that we do
3 with them is critical. They have asked some things of tribes and
4 the tribe has asked things of them. It seems like most of our
5 discussion gets down to the areas of calling in an arbitrator to
6 dispute our concerns. Maybe somewhere we need to write that up
7 that that be the case on all things and maybe it is, I don't
8 know, but that's kind of our relationship with the -- Gary Husk
9 and his office.

10 COMMISSIONER LOESCHER: Madam Chairman, just one
11 other question and I think the Hopi chairman has characterized
12 the paradox very well between the gaming and non-gaming tribes
13 and this area of declining assistance from the federal and state
14 governments to tribal governments and then tribal revenues. One
15 of our missions in our statute is to look at gaming revenues and
16 see if there is a substitute for those revenues, you know, from
17 other sources. If a tribe was not to get into gaming, do they
18 have adequate resources or if a tribe is in gaming, what would
19 substitute for that. And I was wondering if you might
20 characterize that a little bit more maybe from the gaming tribe's
21 side how they feel about that and maybe give a chance for the
22 Hopi chairman to amplify his remarks.

23 CHAIRMAN PHILLIPS: I'll take that from the gaming
24 side. The Cocopah Tribe is a very small tribe and we were
25 probably one of the poorest tribes in the United States for quite
26 a long time. We were so poor that Look magazine made money off
27 of us by doing a story on the Cocopah Tribe being the poorest

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1 tribe in the United States. We were unable to get any of that
2 money, you know, that's all right.

3 But when gaming came along, we were able to grasp it
4 and put it to work. We don't look at gaming today as the main
5 source of our revenue. We are putting together a foundation to
6 move ahead. We have our own construction crew now that we build
7 homes. We have our own water department that we're drilling
8 water and making sure that things are going. We have a man power
9 program that trains our tribal members for other fields of
10 employment, the different professional fields. We use it to
11 build a foundation. While the window of opportunity is here, we
12 build so you know, when something happens at least we will build
13 that foundation and be able to keep it going at the pace where
14 we're at.

15 CHAIRPERSON JAMES: Commissioner Dobson?

16 COMMISSIONER DOBSON: Chairman James, I'd like to ask
17 a question of two of our presenters and thank you to all four who
18 came here today. Chairman Taylor, in your presentation you spoke
19 rather broadly, not just with regard to your own particular tribe
20 but rather broadly about the effect of gambling nationwide. I
21 think you referred to the fortunate few who had benefited from
22 gambling and that there were problems that come along with it.

23 Some of the research that we did before we came shows
24 that even some of the tribes that have gaming have an
25 unemployment rate of 50 percent or higher and some as high as 80
26 or 90 percent. Describe or respond to this on a broader scale
27 from your perspective of the impact of gambling even in those
28 tribes where gambling has been adopted.

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1 CHAIRMAN TAYLOR: I'm afraid I don't have that kind
2 of information to be able to respond directly to that question.

3 COMMISSIONER DOBSON: Can I share one with you?

4 CHAIRMAN TAYLOR: Sure.

5 COMMISSIONER DOBSON: There are a number of them. I
6 have a whole report here of such things. The Ogalas-Sioux on the
7 Pine Ridge Reservation in South Dakota live in the poorest county
8 in the United States. The tribe has a casino established in
9 1995. Unemployment has gone from 73 percent in 1991 to 74
10 percent after the casino opened.

11 Other reservations such as the Rosebud Reservation
12 saw unemployment jump from 86 percent to 95 percent after
13 gambling came. For two days we're hearing reports that are
14 obviously glowing about the effect of gambling in those fortunate
15 few. I don't doubt that there are those who do that but the
16 overall impact -- and I've got, as I say pages of studies that
17 would say that it's not quite as positive as we're hearing. I'd
18 just like somebody to address this. If you're not, is there
19 anybody else who would like to talk about that?

20 CHAIRMAN PHILLIPS: I'll address it. I didn't get to
21 my page there where I hit that a little bit but, you know, each
22 reservation is unique in its own. Each -- we are a government
23 within a government. We, as a government on our reservation, we
24 evaluate our situation. Is gaming good for us or not? Not all
25 tribes have the same level to be evaluated. I think that's one
26 of the biggest problems that we have across the country,
27 especially in the Congress.

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1 I was very glad that you guys are here because you
2 get to see it from our eyes. Let me give a parallel to what he's
3 saying. He talks about the Sioux nation, you know, they're way
4 across the country to me. I have no idea how the Sioux nation
5 operates its government. I have no idea their problems on that
6 reservation. Yes, I've heard like anybody else in the news how
7 poorly some areas are. Our situation is different so we can't,
8 you know, be compared to the Sioux nation.

9 For example, we are compared to the casinos back
10 east. We are nowhere near that to be evaluated as a parallel.
11 There's no way you can do it. I'm excited that you're here
12 because you'll see it from our side, you hear it from our side
13 and you know, for me to address what the Sioux' are doing, why
14 it's like that, I couldn't say. If I said it, the Sioux Tribe
15 would be down my back saying, "What authority do you have to
16 speak on our behalf", like I'd do it with them, you know.

17 COMMISSIONER DOBSON: Let me address my question,
18 then, to your particular situation then to Chairperson Burdette's
19 particular tribe. Both of you made reference to problem gamblers
20 among your tribal people. Can you be a little more specific
21 about treatment programs and the amount of money that is being
22 allocated for those purposes in your own situation?

23 CHAIRMAN PHILLIPS: Okay, once again, I'll correct
24 your question there. I never said problem gamblers among my
25 people because I never got there. I ran out of time but --

26 COMMISSIONER DOBSON: Maybe I knew where you were
27 going.

28 (Laughter)

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1 CHAIRMAN PHILLIPS: But, you know, with us down in
2 our reservation, speaking for the Cocopah Tribe, some of our
3 people do gamble but once again, you can't -- you know, for us to
4 say it's a problem, you know, I joke about it with my wife. My
5 wife loves to gamble, so I tell her, "Man, we're supporting the
6 Cocopah Tribe", you know, but you know, we see it down in Yuma,
7 not just the Cocopahs but the surrounding community as an
8 entertainment.

9 You know, we have flyers that go out to the
10 community, not only Cocopah but to Yuma saying, you know, where
11 to go if there's a problem. It's not for me to say, "Hey, you
12 have a problem". It's their decision as they come --

13 COMMISSIONER DOBSON: If I can interrupt you, that's
14 not my question. My question is how much money is allocate where
15 those problems do occur?

16 CHAIRMAN PHILLIPS: Oh, I couldn't answer that right
17 now because we have a -- we give it out -- we have one budget
18 that has all monies that's set aside for the donation. You know,
19 we spend a lot of money on donation, not on just Gambling
20 Anonymous, alcoholism, cancer, you know, everything.

21 COMMISSIONER DOBSON: Is that information available
22 to us?

23 CHAIRMAN PHILLIPS: Oh, yeah, we could --

24 COMMISSIONER DOBSON: Could we get that information
25 as to what --

26 CHAIRMAN PHILLIPS: We sure can.

27 COMMISSIONER DOBSON: And finally, may I ask one last
28 question.

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1 CHAIRMAN KWAIL: Can I answer that also --

2 COMMISSIONER DOBSON: Sure, yeah.

3 CHAIRMAN KWAIL: -- because I didn't get to that
4 section also in my statement here, but we do --

5 COMMISSIONER DOBSON: Everything I wanted to know was
6 at the end of your reports.

7 (Laughter)

8 CHAIRMAN KWAIL: Yeah, we do distribute pamphlets in
9 our casino in regards -- that are prepared by Gamblers Anonymous.
10 I know our tribe does donate to Gamblers Anonymous and they have
11 asked for -- have come back and asked for another \$10,000.00 and
12 we will be honoring that request. So we do give donations to
13 Gamblers Anonymous. The situation, unless they come here today
14 and tell you how bad it is, I don't particularly know.

15 I think at my tribe I don't see a tribal member
16 having a problem with gambling. They do gamble but as for
17 problems, I don't think we have submitted any to their chapter
18 for help.

19 COMMISSIONER DOBSON: Finally, I'm trying to make
20 this short, the newspaper reports in the last few weeks have
21 talked about fixed machines. That's been in all the press here.
22 Can you address that at all? Where are we on that, what has been
23 done about it? Are the reports acknowledged or addressed? Can
24 you help me with that?

25 CHAIRMAN PHILLIPS: There's no way a fixed machine.
26 You know, all these things are -- we are monitored very close by
27 the state and the Federal Government. Every -- I don't know what
28 the part is, the brains of the machine goes and it's tested by a

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1 private, you know, firm. I can't think of the firm off-hand but
2 those that test all the boxes for the computer chips, there is no
3 way. I mean, the seal -- it's sealed up. It's just set one way
4 and there's no way that we can -- when we would know how to fix a
5 machine, I don't think.

6 You know, it's all done in modern technology to make
7 sure that everybody is treated fairly.

8 CHAIRMAN KWAIL: And let me also add in that regards,
9 some of what you read in regards to the newspapers on probably
10 several casinos, they -- in the end most of the machines were
11 found to be, in a test mode, they were found to be in other sort
12 of modes that these winners hit the jackpot in, I think with
13 those tribes they went and viewed the video tape because
14 everything is videoed in the casino. They looked at that and
15 found that there were some problems with the machine because
16 workers had gone there to readjust or to get it back in line and
17 then things were left in that mode.

18 So but generally the winners were paid off after
19 awhile. Those machines, from what I understand, was not machines
20 that Indian tribal casinos have but they were rented in regards
21 to an Internet of machines that are available here in Arizona and
22 they did pay them off. So, I think, one particular casino was is
23 Harrahs. I think Harrahs is well recognized for its capabilities
24 of running a casino that is legitimate. They did with that
25 company provide the winner with the funding. It did take awhile
26 to get the money to the individual but it was cleared and tribal
27 governments were not given the opportunity to debate those things
28 as they should have but in a sense, they did continue to do that,

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1 continue this process in debating any one of these winning
2 machines that were not in the right mode.

3 COMMISSIONER DOBSON: Thank you.

4 CHAIRPERSON JAMES: Thank you.

5 CHAIRPERSON BURDETTE: I'd like to respond to
6 Commissioner Dobson. You know, I think that that would be
7 basically like asking in the Arizona lottery how come no one in
8 Arizona ever wins the large amount and every other state do. You
9 know, I mean, so instead of us asking the state, you know, how
10 come no one in Arizona wins. In responding to your question
11 regarding Tonto-Apache as having problems with gambling, I think
12 you need to read my report. It does not say that we have a
13 problem. You know, there's nowhere in there that it states that.

14 COMMISSIONER DOBSON: I'm sorry, I didn't understand
15 that.

16 CHAIRPERSON BURDETTE: Well, you asked the question,
17 you know, of myself and someone on the panel here --

18 COMMISSIONER DOBSON: Yes.

19 CHAIRPERSON BURDETTE: -- had stated that there was a
20 problem in gambling. I don't think there was ever a statement of
21 that made, so --

22 COMMISSIONER DOBSON: So your position is that there
23 has not been any incident of gambling problems?

24 CHAIRPERSON BURDETTE: Not on the reservation, no,
25 not specifically on the --

26 COMMISSIONER DOBSON: If that's the case, I think
27 that's the first time in history, if there are not serious
28 gambling problems in any facility.

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1 CHAIRPERSON BURDETTE: I'm not saying any. I'm
2 speaking, you know, for just a small amount of tribal members.
3 But, you know, you can't basically say that, well, there isn't a
4 major problem because I don't -- it's again, stating with what
5 Dale had said, there is, possibly is, but we don't have those
6 numbers to present to you at this very moment.

7 And even on the amount of monies that are spent, you
8 know, I don't have that with me right now, but if you -- again,
9 it is available to be presented to the Commissioners if they so
10 wish.

11 COMMISSIONER DOBSON: I would appreciate that.

12 CHAIRMAN KWAIL: I would like to also -- before you
13 start speaking and cut us off, but I would like to say we will
14 have a list -- we do have a list of your questions that were
15 asked and we will respond to those by letter.

16 CHAIRPERSON JAMES: That was going to be my
17 suggestion and many of the areas that we're getting into I think
18 will be covered by our other panels that come forward but we do
19 appreciate you, as tribal leaders coming here to welcome us to
20 Arizona and to share your particular viewpoints from the
21 perspective of your individual communities. And with that, I'd
22 like to excuse this panel and move onto our next and thank you
23 very much for being here.

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